

AMENDED IN ASSEMBLY OCTOBER 7, 2010

**SENATE BILL**

**No. 871**

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**Introduced by ~~Committee on Budget and Fiscal Review~~ Senator  
Hollingsworth**  
(Coauthor: Assembly Member Garrick)

January 11, 2010

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*An act relating to the Budget Act of 2010. An act to amend Sections 21251.13, 21353, 21354.1, 21363, 21363.1, 21363.3, 21363.4, 21363.8, 21369, and 21369.1 of, and to add Section 20037.15 to, the Government Code, relating to state employees, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

SB 871, as amended, ~~Committee on Budget and Fiscal Review~~ Hollingsworth. ~~Budget Act of 2010. State employees: benefits: retirement.~~

(1) *The Public Employees' Retirement Law (PERL) provides a comprehensive set of rights and benefits based upon age, service credit, and final compensation. Existing law defines final compensation variously for different member classifications and bargaining units and, in this regard, defines final compensation for a state member for the purpose of calculating retirement benefits as the highest annual average compensation earnable by the member during a designated 12-month or 36-month period, depending upon the bargaining unit and classification of that employee. Currently the final compensation for members hired on or after July 1, 2006, who are represented by State Bargaining Units 12, 16, 18, and 19, and for members hired on and after October 31, 2010, who are represented by State Bargaining Units*

*5 and 8 means the final compensation earnable by the member during a designated 36-month period.*

*This bill would provide that final compensation for a person who becomes a state member, as specified, on or after November 10, 2010, and who is represented by State Bargaining Unit 6, 7, or 9, or who is an excluded employee, legislative employee, judicial branch employee, or an employee of California State University, means the highest annual average compensation earnable by the member during a designated 36-month period.*

*(2) PERL establishes various retirement formulas that apply to specified membership categories. Under PERL, state miscellaneous members are generally subject to a retirement formula commonly known as 2% at 55, which, if the member retires at 55 years of age, yields a benefit equal to 2% of the member's final compensation multiplied by the member's years of service credit, as specified. Under PERL, state miscellaneous members represented by specified bargaining units who are first employed on after September 1, 2010, are subject to a 2% at 60 retirement formula. Under PERL, patrol members and specified state peace officer/firefighter members are subject to a 3% at 50 retirement formula, with the exception of patrol members and firefighters who are members of State Bargaining Units 5 and 8, first employed on and after October 31, 2010, who are subject to a 3% at 55 retirement formula. Under PERL, safety members employed by the state and the California State University are generally subject to a 2.5% at age 55 retirement formula.*

*This bill would provide that all state miscellaneous members, who are first employed on and after November 10, 2010, are subject to a 2% at 60 retirement formula, but would provide that the change would not apply if there is a current memorandum of understanding that provides a different formula only for the period that the memorandum of understanding is in effect. The bill would provide that peace officer/firefighter members of State Bargaining Units 6 and 7 and state, legislative, judicial branch, and California State University peace officers who are first employed on and after November 10, 2010, are subject to a 2.5% at 55 retirement formula, but would provide that the change would not apply if there is a current memorandum of understanding that provides a different formula only for the period that the memorandum of understanding is in effect. This bill would provide that safety members who are first employed by the state and the California State University on and after November 10, 2010, are subject*

to a 2% at age 55 retirement formula, but would provide that the change would not apply if there is a current memorandum of understanding that provides a different formula only for the period that the memorandum of understanding is in effect.

(3) This bill would declare that it is to take effect immediately as an urgency statute.

~~This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2010.~~

Vote: ~~majority~~<sup>2/3</sup>. Appropriation: no. Fiscal committee: ~~no~~-yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 20037.15 is added to the Government  
2     Code, to read:  
3     20037.15. (a) Notwithstanding Sections 3517.8, 20035, and  
4     20037, final compensation for a person who is employed for the  
5     first time and becomes a member of the system on or after  
6     November 10, 2010, means the highest average annual  
7     compensation earnable by the member during the consecutive  
8     36-month period immediately preceding the effective date of his  
9     or her retirement, or the date of his or her last separation from  
10    state service if earlier, or during any other period of 36 consecutive  
11    months during his or her state membership that the member  
12    designates on the application for retirement.  
13    (b) This section applies to the following:  
14    (1) Service credit accrued while a member of State Bargaining  
15    Unit 6 or 9 or in a class related to State Bargaining Unit 6 or 9  
16    as an employee who is excepted from the definition of “state  
17    employee” in subdivision (c) of Section 3513, or an officer or  
18    employee of the executive branch of state government who is not  
19    a member of the civil service.  
20    (2) Service credit accrued while a peace officer/firefighter  
21    member represented by State Bargaining Unit 7 or in a class  
22    related to peace officer/firefighter members in State Bargaining  
23    Unit 7 as an employee who is excepted from the definition of “state  
24    employee” in subdivision (c) of Section 3513, or an officer or  
25    employee of the executive branch of state government who is not  
26    a member of the civil service.

1 (3) *Service credit accrued as an employee who is excepted from*  
2 *the definition of “state employee” in subdivision (c) of Section*  
3 *3513, or an officer or employee of the executive branch of state*  
4 *government who is not a member of the civil service.*

5 (4) *Service credit accrued as an employee of the Legislature,*  
6 *the judicial branch, or the California State University.*

7 (c) *This section does not apply to:*

8 (1) *Former employees previously employed before November*  
9 *10, 2010, who return to employment on or after November 10,*  
10 *2010, and who were previously subject to a 12-month average.*

11 (2) *State employees hired prior to November 10, 2010, who*  
12 *were subject to Section 20281.5 during the first 24 months of state*  
13 *employment, and who were previously subject to a 12-month*  
14 *average.*

15 (3) *State employees hired prior to November 10, 2010, who*  
16 *become subject to representation by State Bargaining Unit 6, 7,*  
17 *or 9 on or after November 10, 2010, and who were previously*  
18 *subject to a 12-month average.*

19 (4) *Employees on an approved leave of absence employed before*  
20 *November 10, 2010, who return to active employment on or after*  
21 *November 10, 2010, and who were previously subject to a*  
22 *12-month average.*

23 (d) *If this section is in conflict with a memorandum of*  
24 *understanding that is current and in effect on November 10, 2010,*  
25 *the memorandum of understanding shall be controlling while it*  
26 *remains in effect. Upon expiration of the memorandum of*  
27 *understanding that is in effect and current on November 10, 2010,*  
28 *this section shall be controlling and may not be superseded by a*  
29 *subsequent memorandum of understanding.*

30 SEC. 2. *Section 21251.13 of the Government Code is amended*  
31 *to read:*

32 21251.13. (a) *Notwithstanding any other provision of law,*  
33 *Sections 21070.5, 21070.6, 21073.1, 21073.7, 21354.1, 21362.2,*  
34 *21363.1, and 21369.1 and the amendments to Sections 21070,*  
35 *21071, 21072, 21073, 21073.5, and 21353.5, enacted during the*  
36 *first year of the 1999–2000 Regular Session:*

37 (1) *Shall not become operative unless the board adopts a*  
38 *resolution that does both of the following: (A) employs, for the*  
39 *June 30, 1998, valuation, 95 percent of the market value of assets*  
40 *of the state employer as the actuarial value of the assets; and (B)*

1 amortizes the June 30, 1998, excess assets over a period of 20  
2 years, beginning July 1, 1999.

3 (2) Shall not apply to a state employee, as defined in subdivision  
4 (c) of Section 3513, in a bargaining unit unless and until  
5 incorporated in a memorandum of understanding, pursuant to  
6 Section 3517.5, applicable to that bargaining unit.

7 (3) Shall not apply to excluded employees, as defined in Section  
8 3527, unless the Department of Personnel Administration has  
9 approved the application of those provisions to those employees.  
10 Notwithstanding any provision of law to the contrary, any approval  
11 by the Department of Personnel Administration for the application  
12 of these provisions to those excluded employees is irrevocable.

13 (b) Notwithstanding anything in a memorandum of  
14 understanding to the contrary, (1) the benefits provided under the  
15 provisions of those sections described in subdivision (a), as added  
16 or amended during the first year of the 1999–2000 Regular Session,  
17 shall not terminate upon the expiration or termination of the  
18 memorandum of understanding, and (2) the only conditions to the  
19 operation of the provisions of those sections described in  
20 subdivision (a), as added or amended during the first year of the  
21 1999–2000 Regular Session, are contained in this section.

22 (c) *Notwithstanding Section 3517.8 or any provision of a*  
23 *memorandum of understanding that has been continued in effect*  
24 *on and after November 10, 2010, pursuant to Section 3517.8 to*  
25 *the contrary, the retirement formulas in Sections 21354.1, 21363.3,*  
26 *21363.4, 21363.8, and 21369.1 shall only apply to state employees*  
27 *who were first employed and subject to those sections before*  
28 *November 10, 2010. Those sections shall not apply to any state*  
29 *employee member first employed on and after November 10, 2010.*

30 (e)

31 (d) Upon request by the state employer or other entity, or on its  
32 own volition, the board may change the amortization period, or  
33 take any other action the board deems necessary or appropriate,  
34 to mitigate the impact of unforeseen factors that may cause an  
35 increase in the employer contribution by the state. Nothing in this  
36 section shall be construed to limit the board's authority under  
37 Section 17 of Article 16 of the California Constitution.

38 SEC. 3. *Section 21353 of the Government Code is amended to*  
39 *read:*

21353. (a) The combined current and prior service pensions for a local miscellaneous member, a school member, a state miscellaneous or state industrial member, or a university member is a pension derived from the contributions of the employer sufficient, when added to the service retirement annuity that is derived from the accumulated normal contributions of the member at the date of retirement, to equal the fraction of one-fiftieth of the member's final compensation set forth opposite the member's age at retirement, taken to the preceding completed quarter year, in the following table, multiplied by the number of years of current and prior service except service in a category of membership other than that of state or state industrial member, local miscellaneous member, school member, or a university member, or service covered under this First Tier retirement formula, with which the member is entitled to be credited at retirement:

Age of Retirement	Fraction
50 .....	.546
50¼ .....	.554
50½ .....	.562
50¾ .....	.570
51 .....	.578
51¼ .....	.586
51½ .....	.595
51¾ .....	.603
52 .....	.612
52¼ .....	.621
52½ .....	.630
52¾ .....	.639
53 .....	.648
53¼ .....	.658
53½ .....	.668
53¾ .....	.678
54 .....	.688
54¼ .....	.698
54½ .....	.709
54¾ .....	.719
55 .....	.730
55¼ .....	.741

1	55½	.753
2	55¾	.764
3	56	.776
4	56¼	.788
5	56½	.800
6	56¾	.813
7	57	.825
8	57¼	.839
9	57½	.852
10	57¾	.865
11	58	.879
12	58¼	.893
13	58½	.908
14	58¾	.923
15	59	.937
16	59¼	.953
17	59½	.969
18	59¾	.985
19	60	1.000
20	60¼	1.017
21	60½	1.034
22	60¾	1.050
23	61	1.067
24	61¼	1.084
25	61½	1.101
26	61¾	1.119
27	62	1.136
28	62¼	1.154
29	62½	1.173
30	62¾	1.191
31	63 and over	1.209

(b) The fractions specified in the above table shall be reduced by one-third as applied to that part of final compensation that does not exceed four hundred dollars (\$400) per month for all service of a member any of whose service has been included in the federal system. This reduction shall not apply to a member employed by a contracting agency that enters into a contract after July 1, 1971, and elects not to be subject to this paragraph or with respect to service rendered after the termination of coverage under the federal

1 system with respect to the coverage group to which the member  
2 belongs.

3 (c) The improved retirement allowance provided by this section  
4 is granted subject to future reduction prior to a member's  
5 retirement, by offset of federal system benefits or otherwise, as  
6 the Legislature may from time to time deem appropriate because  
7 of changes in the federal system benefits.

8 (d) With the exception of state miscellaneous members for  
9 service rendered for the California State University or the  
10 legislative or judicial branch of government, this section shall  
11 apply to state miscellaneous and state industrial members who are  
12 not employed by the state on or after January 1, 2000.

13 (e) (1) This section shall apply to a state miscellaneous or  
14 industrial member who is employed by the state for the first time  
15 and becomes a state miscellaneous or industrial member of the  
16 system on or after the first day of the pay period following the  
17 effective date of the act adding this subdivision, and is represented  
18 by State Bargaining Unit 12, 16, 18, or 19. With respect to related  
19 state miscellaneous or industrial members in managerial,  
20 supervisory, or confidential positions and officers or employees  
21 of the executive branch of state government who are not members  
22 of the civil service, the Director of the Department of Personnel  
23 Administration may exercise his or her discretion whether to  
24 approve their status in writing to the board.

25 (2) This subdivision does not apply to:

26 (A) Former state employees previously employed before the  
27 first day of the pay period following the effective date of this  
28 subdivision, who return to state employment on or after the first  
29 day of the pay period following the effective date of this  
30 subdivision.

31 (B) State employees hired prior to the first day of the pay period  
32 following the effective date of this subdivision, who were subject  
33 to Section 20281.5 during the first 24 months of state employment.

34 (C) State employees hired prior to the first day of the pay period  
35 following the effective date of this subdivision, who become  
36 subject to representation by State Bargaining Unit 12, 16, 18, or  
37 19 on or after the first day of the pay period following the effective  
38 date of the act adding this subdivision.

39 (D) State employees on an approved leave of absence employed  
40 before the first day of the pay period following the effective date



1 of this subdivision, who return to active employment on or after  
2 the first day of the pay period following the effective date of the  
3 act adding this subdivision.

4 (f) (1) This section shall apply to a state miscellaneous or  
5 industrial member who is employed by the state for the first time  
6 and becomes a state miscellaneous or industrial member of the  
7 system on or after October 31, 2010, and is represented by State  
8 Bargaining Unit 5 or 8. With respect to related state miscellaneous  
9 or industrial members in managerial, supervisory, or confidential  
10 positions and officers or employees of the executive branch of  
11 state government who are not members of the civil service, the  
12 Director of the Department of Personnel Administration may  
13 exercise his or her discretion whether to approve their status in  
14 writing to the board.

15 (2) This subdivision does not apply to:

16 (A) Former state employees previously employed before October  
17 31, 2010, who return to state employment on or after October 31,  
18 2010.

19 (B) State employees hired prior to October 31, 2010, who were  
20 subject to Section 20281.5 during the first 24 months of state  
21 employment.

22 (C) State employees hired prior to October 31, 2010, who  
23 become subject to representation by State Bargaining Unit 5 or 8  
24 on or after October 31, 2010.

25 (D) State employees on an approved leave of absence employed  
26 before October 1, 2010, who return to active employment on or  
27 after October 31, 2010.

28 (g) (1) *Notwithstanding Section 3517.8 or any provision of an*  
29 *expired memorandum of understanding, this section shall also*  
30 *apply to a state miscellaneous or industrial member who is*  
31 *employed by the state, the Legislature, the judicial branch, or the*  
32 *California State University for the first time and becomes a member*  
33 *of the system on or after November 10, 2010.*

34 (2) *If this subdivision is in conflict with a memorandum of*  
35 *understanding that is current and in effect on November 10, 2010,*  
36 *the memorandum of understanding shall be controlling while it*  
37 *remains in effect. Upon expiration of the memorandum of*  
38 *understanding that is in effect and current on November 10, 2010,*  
39 *this section shall be controlling and may not be superseded by a*  
40 *subsequent memorandum of understanding.*

(3) *This subdivision does not apply to:*

(A) *Former state, legislative, judicial branch, or university employees previously employed before November 10, 2010, who return to employment on or after November 10, 2010, and who were not previously subject to this section.*

(B) *State employees hired prior to November 10, 2010, who were subject to Section 20281.5 during the first 24 months of state employment, and who were not previously subject to this section.*

(C) *State, legislative, judicial branch, or university employees on an approved leave of absence employed before November 10, 2010, who return to active employment on or after November 10, 2010, and who were not previously subject to this section.*

SEC. 4. *Section 21354.1 of the Government Code is amended to read:*

21354.1. (a) The combined current and prior service pensions for school members, state miscellaneous or state industrial members, or university members who are subject to the provisions of this section is a pension derived from the contributions of the employer sufficient, when added to the service retirement annuity that is derived from the accumulated normal contributions of the member at the date of retirement, to equal the fraction of one-fiftieth of the member's final compensation set forth opposite the member's age at retirement, taken to the preceding completed quarter year, in the following table, multiplied by the number of years of current and prior service, except service in a category of membership other than that of a school member, state miscellaneous or state industrial member, or university member or service covered under this retirement formula with which the member is entitled to be credited at retirement:

Age at retirement	Fraction
50 .....	0.550
50¼ .....	0.573
50½ .....	0.595
50¾ .....	0.618
51 .....	0.640
51¼ .....	0.663
51½ .....	0.685
51¾ .....	0.708

1	52 .....	0.730
2	52¼ .....	0.753
3	52½ .....	0.775
4	52¾ .....	0.798
5	53 .....	0.820
6	53¼ .....	0.843
7	53½ .....	0.865
8	53¾ .....	0.888
9	54 .....	0.910
10	54¼ .....	0.933
11	54½ .....	0.955
12	54¾ .....	0.978
13	55 .....	1.000
14	55¼ .....	1.008
15	55½ .....	1.016
16	55¾ .....	1.024
17	56 .....	1.032
18	56¼ .....	1.040
19	56½ .....	1.048
20	56¾ .....	1.055
21	57 .....	1.063
22	57¼ .....	1.071
23	57½ .....	1.079
24	57¾ .....	1.086
25	58 .....	1.094
26	58¼ .....	1.102
27	58½ .....	1.110
28	58¾ .....	1.118
29	59 .....	1.125
30	59¼ .....	1.134
31	59½ .....	1.141
32	59¾ .....	1.149
33	60 .....	1.157
34	60¼ .....	1.165
35	60½ .....	1.173
36	60¾ .....	1.180
37	61 .....	1.188
38	61¼ .....	1.196
39	61½ .....	1.203
40	61¾ .....	1.211

1	62 .....	1.219
2	62¼ .....	1.227
3	62½ .....	1.235
4	62¾ .....	1.243
5	63 and over .....	1.250

6

7 (b) The fraction specified in the above table shall be reduced  
8 by one-third as applied to that part of final compensation that does  
9 not exceed four hundred dollars (\$400) per month for all service  
10 of a member any of whose service has been included in the federal  
11 system. This subdivision shall not apply to school members whose  
12 service is included in the federal system with respect to service  
13 performed on or after January 1, 2001.

14 (c) This section shall supersede Section 21353 for all school  
15 members, all university members, and all state miscellaneous  
16 members, with respect to service rendered for the California State  
17 University or the legislative or judicial branch of government, who  
18 retire on or after January 1, 2000.

19 (d) This section shall also supersede Section 21353 for state  
20 miscellaneous or state industrial members, for service not subject  
21 to subdivision (c), who are employed by the state on or after  
22 January 1, 2000, and who do not elect under Section 21070.5 to  
23 be subject to Second Tier benefits.

24 (e) Operation and application of this section are subject to the  
25 limitations set forth in Section 21251.13.

26 (f) Notwithstanding any other provision of this section, this  
27 section shall not apply to a state miscellaneous or industrial  
28 member who is employed by the state for the first time and  
29 becomes a state miscellaneous or industrial member of the system  
30 on or after the first day of the pay period following the effective  
31 date of the act adding this subdivision, and is represented by State  
32 Bargaining Unit 12, 16, 18, or 19. With respect to related state  
33 miscellaneous or industrial members in managerial, supervisory,  
34 or confidential positions and officers or employees of the executive  
35 branch of state government who are not members of the civil  
36 service, the Director of the Department of Personnel Administration  
37 may exercise his or her discretion whether to approve their status  
38 in writing to the board.

39 (g) Notwithstanding any other provision of this section, this  
40 section shall not apply to a state miscellaneous or industrial

1 member who is employed by the state for the first time and  
2 becomes a state miscellaneous or industrial member of the system  
3 on or after October 31, 2010, and is represented by State  
4 Bargaining Unit 5 or 8. With respect to related state miscellaneous  
5 or industrial members in managerial, supervisory, or confidential  
6 positions and officers or employees of the executive branch of  
7 state government who are not members of the civil service, the  
8 Director of the Department of Personnel Administration may  
9 exercise his or her discretion whether to approve their status in  
10 writing to the board.

11 *(h) (1) Notwithstanding Section 3517.8 or any provision of an*  
12 *expired memorandum of understanding, or any other provision of*  
13 *this section, this section shall not apply to a state miscellaneous*  
14 *or industrial member who is employed by the state, the Legislature,*  
15 *the judicial branch, or the California State University for the first*  
16 *time and becomes a member of the system on or after November*  
17 *10, 2010.*

18 *(2) If this subdivision is in conflict with a memorandum of*  
19 *understanding that is current and in effect on November 10, 2010,*  
20 *the memorandum of understanding shall be controlling while it*  
21 *remains in effect. Upon expiration of the memorandum of*  
22 *understanding that is in effect and current on November 10, 2010,*  
23 *this section shall be controlling and may not be superseded by a*  
24 *subsequent memorandum of understanding.*

25 *SEC. 5. Section 21363 of the Government Code is amended to*  
26 *read:*

27 21363. (a) The combined current and prior service pensions  
28 for state peace officer/firefighter members subject to this section  
29 with respect to state peace officer/firefighter service and the  
30 combined current and prior service pensions for local safety  
31 members with respect to local safety service rendered to a  
32 contracting agency that is subject to this section is a pension  
33 derived from the contributions of the employer sufficient when  
34 added to the service retirement annuity that is derived from the  
35 accumulated normal contributions of the state peace  
36 officer/firefighter or local safety member at the date of his or her  
37 retirement to equal the fraction of one-fiftieth of his or her final  
38 compensation set forth opposite his or her age at retirement taken  
39 to the preceding completed quarter year, in the following table,  
40 multiplied by the number of years of state peace officer/firefighter

service or local safety service subject to this section with which he or she is credited at retirement:

Age at Retirement	Fraction
50 .....	1.0000
50 $\frac{1}{4}$ .....	1.0125
50 $\frac{1}{2}$ .....	1.0250
50 $\frac{3}{4}$ .....	1.0375
51 .....	1.0500
51 $\frac{1}{4}$ .....	1.0625
51 $\frac{1}{2}$ .....	1.0750
51 $\frac{3}{4}$ .....	1.0875
52 .....	1.1000
52 $\frac{1}{4}$ .....	1.1125
52 $\frac{1}{2}$ .....	1.1250
52 $\frac{3}{4}$ .....	1.1375
53 .....	1.1500
53 $\frac{1}{4}$ .....	1.1625
53 $\frac{1}{2}$ .....	1.1750
53 $\frac{3}{4}$ .....	1.1875
54 .....	1.2000
54 $\frac{1}{4}$ .....	1.2125
54 $\frac{1}{2}$ .....	1.2250
54 $\frac{3}{4}$ .....	1.2375
55 and over.....	1.2500

(b) (1) In no event shall the current service pension and the combined current and prior service pensions under this section for all service to all employers exceed an amount that, when added to the service retirement annuity related to that service, equals 75 percent of final compensation.

(2) For state members, with respect to service for all state employers under this section, the benefit shall not exceed:

(A) Eighty percent of final compensation for state members who retire on or after January 1, 1995.

(B) Eighty-five percent of final compensation for state peace officer/firefighter members in State Bargaining Units 6 and 8 who retire on or after January 1, 1999, and prior to January 1, 2000.

1 (C) Ninety percent of final compensation for state peace  
2 officer/firefighter members who retire on or after January 1, 2000.

3 (3) For local safety members who retire on or after January 1,  
4 2000, the benefit shall not exceed 85 percent of final compensation.  
5 If the pension relates to service to more than one employer, or this  
6 section and Section 21369, and would otherwise exceed that  
7 maximum, the pension payable with respect to each section or  
8 employer shall be reduced in the same proportion as the allowance  
9 bears to the total allowance computed as though there were no  
10 limit, so that the total of the pensions shall equal the maximum.  
11 Where a state or local member retiring on or after January 1, 1995,  
12 has service under this section with both state and local agency  
13 employers, the higher maximum shall apply and the additional  
14 benefit, if any, shall be funded by increasing the member's pension  
15 payable with respect to the employer for whom the member  
16 performed the service subject to the higher maximum.

17 (c) The Legislature reserves, with respect to any member subject  
18 to this section, the right to provide for the adjustment of industrial  
19 disability retirement allowances because of earnings of a retired  
20 person and modification of the conditions and qualifications  
21 required for retirement for disability as it may find appropriate  
22 because of the earlier age of service retirement made possible by  
23 the benefits under this section.

24 (d) This section may be applied to related supervisory classes  
25 or confidential positions for the respective bargaining units  
26 specified in this section.

27 (e) (1) This section shall be operative with respect to state peace  
28 officer/firefighter members in Corrections Bargaining Unit No. 6,  
29 Protective Services and Public Safety Bargaining Unit No. 7, or  
30 Firefighters Bargaining Unit No. 8, in accordance with a  
31 memorandum of understanding reached between the state and the  
32 exclusive bargaining agent in the respective unit pursuant to  
33 Chapter 10.3 (commencing with Section 3512) of Division 4 of  
34 Title 1.

35 (2) This section also shall be operative with respect to the state  
36 peace officer/firefighter members employed by a California State  
37 University police department who are in Public Safety Unit No. 8  
38 in accordance with a memorandum of understanding reached  
39 between the Trustees of the California State University and the

1 recognized employee organization pursuant to Chapter 12  
2 (commencing with Section 3560) of Division 4 of Title 1.

3 (3) This section shall also be operative with respect to a “state  
4 peace officer/firefighter member” defined in subdivision (a) of  
5 Section 20396 if authorized by, and in accordance with, a  
6 memorandum of understanding reached between the Trustees of  
7 the California State University and the recognized employee  
8 organization pursuant to Chapter 12 (commencing with Section  
9 3560) of Division 4 of Title 1.

10 (4) Nothing in this section or in any other provision of law  
11 affected by Chapter 1320 of the Statutes of 1984 or Chapter 234  
12 of the Statutes of 1986 shall be construed as authorizing any future  
13 negotiation with respect to whether or not any bargaining unit  
14 specified in this section whose memorandum of understanding  
15 was previously approved by the Legislature pursuant to law and  
16 this section, shall continue to remain within the state peace  
17 officer/firefighter membership category.

18 (5) The operative date of this section with respect to members  
19 in each of the bargaining units specified in this section shall be as  
20 provided for in the memorandum of understanding.

21 (6) With the exception of state peace officer/firefighter members  
22 for service rendered for the California State University or the  
23 legislative or judicial branch of government, this section shall  
24 apply to state peace officer/firefighter members who are not  
25 employed by the state on or after January 1, 2000.

26 (f) This section shall be known as, and may be cited as, the State  
27 Peace Officers’ and Fire Fighters’ Retirement Act.

28 (g) The Legislature reserves the right to subsequently modify  
29 or amend this part in order to completely effectuate the intent and  
30 purposes of this section and the right to not provide any new  
31 comparable advantages if disadvantages to employees result from  
32 any modification or amendment.

33 (h) This section shall not apply to a contracting agency nor its  
34 employees until, first, it is agreed to in a written memorandum of  
35 understanding entered into by an employer and representatives of  
36 employees and, second, the contracting agency elects to be subject  
37 to it by amendment to its contract made in the manner prescribed  
38 for approval of contracts or in the case of a new contract, by  
39 express provision of the contract. The operative date of this section  
40 with respect to a local safety member shall be the effective date



1 of the amendment to his or her employer's contract electing to be  
2 subject to this section. However, this section shall not apply to any  
3 local safety member in the employ of an employer not subject to  
4 this section on January 1, 2000.

5 *(i) Notwithstanding Section 3517.8 or any provision of an*  
6 *expired memorandum of understanding, this section shall apply*  
7 *to a state peace officer/firefighter member who is employed by the*  
8 *state for the first time and becomes a state peace officer/firefighter*  
9 *member of the system on or after November 10, 2010, and is*  
10 *represented by State Bargaining Unit 6 or 7. With respect to related*  
11 *state peace officer/firefighter members in managerial, supervisory,*  
12 *or confidential positions and officers or employees of the executive*  
13 *branch of state government who are not members of the civil*  
14 *service, the Director of the Department of Personnel*  
15 *Administration may exercise his or her discretion whether to*  
16 *approve their status in writing to the board.*

17 *(j) (1) This section shall also apply to a state peace*  
18 *officer/firefighter member who is employed by the California State*  
19 *University or judicial branch of government or the Legislature for*  
20 *the first time and becomes a state peace officer/firefighter member*  
21 *on or after November 10, 2010.*

22 *(2) If this subdivision is in conflict with a memorandum of*  
23 *understanding that is current and in effect on November 10, 2010,*  
24 *the memorandum of understanding shall be controlling while it*  
25 *remains in effect. Upon expiration of the memorandum of*  
26 *understanding that is in effect and current on November 10, 2010,*  
27 *this section shall be controlling and may not be superseded by a*  
28 *subsequent memorandum of understanding.*

29 *(k) Subdivisions (i) and (j) do not apply to:*

30 *(1) Former state, legislative, judicial branch, or California*  
31 *State University employees employed before November 10, 2010,*  
32 *who return to state or university employment on or after November*  
33 *10, 2010, and who were not previously subject to this section.*

34 *(2) State employees hired prior to November 10, 2010, who*  
35 *were subject to Section 20281.5 during the first 24 months of state*  
36 *employment and who were not previously subject to this section.*

37 *(3) State employees hired prior to November 10, 2010, who*  
38 *become subject to representation by State Bargaining Unit 6 or 7*  
39 *on or after November 10, 2010, and who were not previously*  
40 *subject to this section.*

(4) *State, legislative, judicial branch, or California State University employees on an approved leave of absence before November 10, 2010, who return to active employment on or after November 10, 2010, and who were not previously subject to this section.*

SEC. 6. *Section 21363.1 of the Government Code is amended to read:*

21363.1. (a) The combined current and prior service pensions for state peace officer/firefighter members subject to this section with respect to state peace officer/firefighter service, and for local safety members with respect to local safety service rendered to a contracting agency that is subject to this section, is a pension derived from the contributions of the employer sufficient when added to the service retirement annuity that is derived from the accumulated normal contributions of the state peace officer/firefighter member or local safety member at the date of his or her retirement to equal the fraction of 3 percent of his or her final compensation set forth opposite his or her age at retirement taken to the preceding completed quarter year, in the following table, multiplied by the number of years of state peace officer/firefighter service or local safety service subject to this section with which he or she is credited at retirement:

Age at Retirement	Fraction
50 .....	.800
50 $\frac{1}{4}$ .....	.810
50 $\frac{1}{2}$ .....	.820
50 $\frac{3}{4}$ .....	.830
51 .....	.840
51 $\frac{1}{4}$ .....	.850
51 $\frac{1}{2}$ .....	.860
51 $\frac{3}{4}$ .....	.870
52 .....	.880
52 $\frac{1}{4}$ .....	.890
52 $\frac{1}{2}$ .....	.900
52 $\frac{3}{4}$ .....	.910
53 .....	.920
53 $\frac{1}{4}$ .....	.930
53 $\frac{1}{2}$ .....	.940

1	53¾ .....	.950
2	54 .....	.960
3	54¼ .....	.970
4	54½ .....	.980
5	54¾ .....	.990
6	55 and over .....	1.000

7

8 (b) In no event shall the current service pension and the  
9 combined current and prior service pensions under this section for  
10 all service to all employers exceed an amount that, when added to  
11 the service retirement annuity related to that service, equals 85  
12 percent of final compensation. For state peace officer/firefighter  
13 members with respect to service for all state employers under this  
14 section, the benefit shall not exceed 90 percent of final  
15 compensation. If the pension relates to service to more than one  
16 employer and would otherwise exceed that maximum, the pension  
17 payable with respect to each employer shall be reduced in the same  
18 proportion as the allowance based on service to that employer  
19 bears to the total allowance computed as though there were no  
20 limit, so that the total of the pensions shall equal the maximum.  
21 Where a state or local member has service under this section with  
22 both state and local agency employers, the higher maximum shall  
23 apply and the additional benefit shall be funded by increasing the  
24 member's pension payable with respect to the employer for whom  
25 the member performed the service subject to the higher maximum.

26 (c) This section shall supersede Section 21363 for state peace  
27 officer/firefighter members with respect to service rendered for  
28 the California State University or the legislative or judicial branch  
29 of government.

30 (d) This section shall also supersede Section 21363 for state  
31 peace officer/firefighter members, for service not subject to  
32 subdivision (c), who are employed by the state on or after January  
33 1, 2000.

34 (e) This section shall not apply to any contracting agency nor  
35 its employees unless and until the agency elects to be subject to  
36 the provisions of this section by amendment to its contract made  
37 in the manner prescribed for approval of contracts or, in the case  
38 of contracts made after the date this section becomes operative,  
39 by express provision in the contract making the contracting agency  
40 subject to this section. The operative date of this section for a local

1 safety member shall be the effective date of the amendment to his  
2 or her employer's contract electing to be subject to this section.

3 (f) This section shall supersede Section 21363, 21366, 21368,  
4 21369, or 21370, whichever is then applicable, with respect to  
5 local safety members who retire after the date this section becomes  
6 applicable to their respective employers.

7 (g) The Legislature reserves, with respect to any member subject  
8 to this section, the right to provide for the adjustment of industrial  
9 disability retirement allowances because of earnings of a retired  
10 person and modification of the conditions and qualifications  
11 required for retirement for disability as it may find appropriate  
12 because of the earlier age of service retirement made possible by  
13 the benefits under this section.

14 (h) The Legislature reserves the right to subsequently modify  
15 or amend this part in order to completely effectuate the intent and  
16 purposes of this section and the right to not provide any new  
17 comparable advantages if disadvantages to employees result from  
18 any modification or amendment.

19 (i) Operation and application of this section are subject to the  
20 limitations set forth in Section 21251.13.

21 (j) This section shall apply to a state patrol member who is  
22 employed by the state for the first time and becomes a state patrol  
23 member of the system on or after October 31, 2010, and is  
24 represented by State Bargaining Unit 5. With respect to related  
25 state patrol members in managerial, supervisory, or confidential  
26 positions and officers or employees of the executive branch of  
27 state government who are not members of the civil service, the  
28 Director of the Department of Personnel Administration may  
29 exercise his or her discretion whether to approve their status in  
30 writing to the board.

31 (k) This section shall apply to a state peace officer/firefighter  
32 member who is employed by the state for the first time and  
33 becomes a state peace officer/firefighter member of the system on  
34 or after October 31, 2010, and is represented by State Bargaining  
35 Unit 8. With respect to related state peace officer/firefighter  
36 members in managerial, supervisory, or confidential positions and  
37 officers or employees of the executive branch of state government  
38 who are not members of the civil service, the Director of the  
39 Department of Personnel Administration may exercise his or her  
40 discretion whether to approve their status in writing to the board.

1 (l) Subdivisions (j) and (k) do not apply to:

2 (1) Former state employees previously employed before October  
3 31, 2010, who return to state employment on or after October 31,  
4 2010.

5 (2) State employees hired prior to October 31, 2010, who were  
6 subject to Section 20281.5 during the first 24 months of state  
7 employment.

8 (3) State employees hired prior to October 31, 2010, who  
9 become subject to representation by State Bargaining Unit 5 or 8  
10 on or after October 31, 2010.

11 (4) State employees on an approved leave of absence employed  
12 before October 31, 2010, who return to active employment on or  
13 after October 31, 2010.

14 (m) (1) *Notwithstanding any other provision of this section,*  
15 *this section shall not apply to a peace officer/firefighter member*  
16 *who is employed for the first time by the California State University*  
17 *or the legislative or judicial branch and becomes a state peace*  
18 *officer/firefighter member of the system on or after November 10,*  
19 *2010.*

20 (2) *If this subdivision is in conflict with a memorandum of*  
21 *understanding that is current and in effect on November 10, 2010,*  
22 *the memorandum of understanding shall be controlling while it*  
23 *remains in effect. Upon expiration of the memorandum of*  
24 *understanding that is in effect and current on November 10, 2010,*  
25 *this section shall be controlling and may not be superseded by a*  
26 *subsequent memorandum of understanding.*

27 (n) *Notwithstanding Section 3517.8, or any provision of an*  
28 *expired memorandum of understanding, or any other provision of*  
29 *this section, this section shall not apply to those peace*  
30 *officer/firefighter members in state Bargaining Units 6 and 7 first*  
31 *employed by the state on or after November 10, 2010.*

32 SEC. 7. *Section 21363.3 of the Government Code is amended*  
33 *to read:*

34 21363.3. (a) The combined current and prior service pensions  
35 for state peace officer/firefighter members described in Section  
36 20394 is a pension derived from the contributions of the employer  
37 sufficient when added to the service retirement annuity that is  
38 derived from the accumulated normal contributions of the member  
39 at the date of his or her retirement to equal 3 percent of his or her  
40 final compensation at the age of 50 years, multiplied by the number

1 of years of state peace officer/firefighter service subject to this  
2 section with which he or she is credited at retirement.

3 (b) In no event shall the current service pension and the  
4 combined current and prior service pensions under this section for  
5 all service to all employers exceed an amount that, when added to  
6 the service retirement annuity related to that service, equals 90  
7 percent of final compensation. If the pension relates to service to  
8 more than one employer and would otherwise exceed that  
9 maximum, the pension payable with respect to each employer shall  
10 be reduced in the same proportion as the allowance based on  
11 service to that employer bears to the total allowance computed as  
12 though there were no limit, so that the total of the pensions shall  
13 equal the maximum. Where a state peace officer/firefighter member  
14 has service under this section, or other safety retirement formulas  
15 pursuant to this part with state or local agency employers, the  
16 higher maximum shall apply and the additional benefit shall be  
17 funded by increasing the member's pension payable with respect  
18 to the state employer.

19 (c) This section shall apply to state peace officer/firefighter  
20 members described in Section 20394 if authorized by, and in  
21 accordance with, a memorandum of understanding reached between  
22 the Trustees of the California State University and the recognized  
23 employee organization pursuant to Chapter 12 (commencing with  
24 Section 3560) of Division 4 of Title 1. This section may also apply  
25 to sworn peace officer/firefighter members described in Section  
26 20394 in related management positions, if the Trustees of the  
27 California State University have approved the application in writing  
28 to the Board of Administration of the Public Employees'  
29 Retirement System.

30 (d) This section shall supersede Section 21363.1 with respect  
31 to peace officer/firefighter service for members employed by the  
32 California State University police department on or after the date  
33 a memorandum of understanding, or action by the Trustees of the  
34 California State University regarding related management  
35 positions, makes this section applicable to these members.

36 (e) This section may not prevent a subsequent memorandum of  
37 understanding, or subsequent action by the Trustees of the  
38 California State University regarding related management  
39 positions, from making this section inapplicable to peace  
40 officer/firefighter members first employed by the California State

1 University police department on or after a date specified in a  
2 subsequent memorandum of understanding, or subsequent action  
3 by the Trustees of the California State University regarding related  
4 management positions.

5 *(f) (1) Notwithstanding any other provision of this section, this*  
6 *section shall not apply to a state peace officer/firefighter member*  
7 *described in Section 20394 who is employed for the first time and*  
8 *becomes a state peace officer/firefighter member of the system on*  
9 *or after November 10, 2010.*

10 *(2) If this subdivision is in conflict with a memorandum of*  
11 *understanding that is current and in effect on November 10, 2010,*  
12 *the memorandum of understanding shall be controlling while it*  
13 *remains in effect. Upon expiration of the memorandum of*  
14 *understanding that is in effect and current on November 10, 2010,*  
15 *this section shall be controlling and may not be superseded by a*  
16 *subsequent memorandum of understanding.*

17 SEC. 8. *Section 21363.4 of the Government Code is amended*  
18 *to read:*

19 21363.4. (a) Upon attaining the age of 50 years or more, the  
20 combined current and prior service pension for a state peace  
21 officer/firefighter member described in subdivision (c) who retires  
22 or dies on or after January 1, 2006, is a pension derived from the  
23 contributions of the employer sufficient when added to the service  
24 retirement annuity that is derived from the accumulated normal  
25 contributions of the member at the date of his or her retirement to  
26 equal 3 percent of his or her final compensation at retirement,  
27 multiplied by the number of years of state peace officer/firefighter  
28 service, as defined in subdivision (d), subject to this section with  
29 which he or she is credited at retirement.

30 (b) For state peace officer/firefighter members, with respect to  
31 service for all state employers under this section, the current service  
32 pension and the combined current and prior service pension under  
33 this section shall not exceed an amount that, when added to the  
34 service retirement annuity related to that service, equals 90 percent  
35 of final compensation. If the pension relates to service to more  
36 than one employer and would otherwise exceed that maximum,  
37 the pension payable with respect to each employer shall be reduced  
38 in the same proportion as the allowance based on service to that  
39 employer bears to the total allowance computed as though there

1 were no limit, so that the total of the pensions shall equal the  
2 maximum.

3 (c) For purposes of this section, “state peace officer/firefighter  
4 member” means state peace officer/firefighter members under this  
5 part who, on or after January 1, 2006, are employed by the state  
6 and are members of State Bargaining Unit 6 or State Bargaining  
7 Unit 8, and may include state peace officer/firefighter members  
8 in related managerial, supervisory, or confidential positions and  
9 officers or employees of the executive branch of state government  
10 who are not members of the civil service, provided the Department  
11 of Personnel Administration has approved their inclusion in writing  
12 to the board.

13 (d) For purposes of this section, “state peace officer/firefighter  
14 service” means service performed by a state peace  
15 officer/firefighter member while a member of State Bargaining  
16 Unit 6 or State Bargaining Unit 8, and may include state peace  
17 officer/firefighter service in related managerial, supervisory, or  
18 confidential positions or as officers or employees of the executive  
19 branch of state government who are not members of the civil  
20 service, provided the Department of Personnel Administration has  
21 approved their inclusion in writing to the board.

22 (e) This section shall supersede Section 21363 or 21363.1,  
23 whichever is applicable, with respect to state peace  
24 officer/firefighter members and service as defined herein.

25 (f) The Legislature reserves, with respect to any member subject  
26 to this section, the right to provide for the adjustment of industrial  
27 disability retirement allowances because of earnings of a retired  
28 person and modification of the conditions and qualifications  
29 required for retirement for disability as it may find appropriate  
30 because of the earlier ages of service retirement made possible by  
31 the benefits under this section.

32 (g) Notwithstanding any other provision of this section, this  
33 section shall not apply to a state peace officer/firefighter member  
34 who is employed by the state for the first time and becomes a state  
35 peace officer/firefighter member of the system on or after October  
36 31, 2010, and is represented by State Bargaining Unit 8. With  
37 respect to related state peace officer/firefighter members in  
38 managerial, supervisory, or confidential positions and officers or  
39 employees of the executive branch of state government who are  
40 not members of the civil service, the Director of the Department



1 of Personnel Administration may exercise his or her discretion  
2 whether to approve their status in writing to the board.

3 *(h) Notwithstanding Section 3517.8, or any provision of an*  
4 *expired memorandum of understanding, or any other provision of*  
5 *this section, this section shall not apply to a state peace*  
6 *officer/firefighter member who is employed by the state for the*  
7 *first time and becomes a state peace officer/firefighter member of*  
8 *the system on or after November 10, 2010, and is represented by*  
9 *State Bargaining Unit 6. With respect to related state peace*  
10 *officer/firefighter members in managerial, supervisory, or*  
11 *confidential positions and officers or employees of the executive*  
12 *branch of state government who are not members of the civil*  
13 *service, the Director of the Department of Personnel*  
14 *Administration may exercise his or her discretion whether to*  
15 *approve their status in writing to the board.*

16 *SEC. 9. Section 21363.8 of the Government Code is amended*  
17 *to read:*

18 21363.8. (a) Upon attaining the age of 50 years or more, the  
19 combined current and prior service pension for a state peace  
20 officer/firefighter member described in subdivision (c) who retires  
21 or dies on or after January 1, 2004, is a pension derived from the  
22 contributions of the employer sufficient when added to the service  
23 retirement annuity that is derived from the accumulated normal  
24 contributions of the member at the date of his or her retirement to  
25 equal 3 percent of his or her final compensation at retirement,  
26 multiplied by the number of years of state peace officer/firefighter  
27 service, as defined in subdivision (d), subject to this section with  
28 which he or she is credited at retirement.

29 (b) For state peace officer/firefighter members, with respect to  
30 service for all state employers under this section, the current service  
31 pension and the combined current and prior service pension under  
32 this section may not exceed an amount that, when added to the  
33 service retirement annuity related to that service, equals 90 percent  
34 of final compensation. If the pension relates to service to more  
35 than one employer and would otherwise exceed that maximum,  
36 the pension payable with respect to each employer shall be reduced  
37 in the same proportion as the allowance based on service to that  
38 employer bears to the total allowance computed as though there  
39 were no limit, so that the total of the pensions shall equal the  
40 maximum.

(c) (1) This section shall apply to state peace officer/firefighter members under this part who, on or after January 1, 2004, are employed by the state and are members of State Bargaining Unit 7.

(2) This section may also apply to state peace officer/firefighter members in managerial, supervisory, or confidential positions that are related to the members described in paragraph (1) and to officers or employees of the executive branch of state government who are not members of the civil service and who are in positions that are related to the members described in paragraph (1), if the Department of Personnel Administration has approved their inclusion in writing to the board.

(d) (1) For purposes of this section, “state peace officer/firefighter service” means service performed by a state peace officer/firefighter member while a member of State Bargaining Unit 7.

(2) That service may include state peace officer/firefighter service in managerial, supervisory, or confidential positions that are related to the members described in paragraph (1) or as officers or employees of the executive branch of state government who are not members of the civil service and who are in positions that are related to the members described in paragraph (1), provided the Department of Personnel Administration has approved their inclusion in writing to the board.

(e) This section shall supersede Section 21363 or 21363.1, whichever is applicable, with respect to state peace officer/firefighter members subject to this section and state peace officer/firefighter service as defined herein.

(f) The Legislature reserves, with respect to any member subject to this section, the right to provide for the adjustment of industrial disability retirement allowances because of earnings of a retired person and modification of the conditions and qualifications required for retirement for disability as it may find appropriate because of the earlier ages of service retirement made possible by the benefits under this section.

(g) *Notwithstanding Section 3517.8, or any provision of an expired memorandum of understanding, or any other provision of this section, this section shall not apply to a state peace officer/firefighter member who is employed by the state for the first time and becomes a state peace officer/firefighter member of*

the system on or after November 10, 2010, and is represented by State Bargaining Unit 7. With respect to related state peace officer/firefighter members in managerial, supervisory, or confidential positions and officers or employees of the executive branch of state government who are not members of the civil service, the Director of the Department of Personnel Administration may exercise his or her discretion whether to approve their status in writing to the board.

SEC. 10. Section 21369 of the Government Code is amended to read:

21369. (a) The combined prior and current service pension for a state safety member, and a local safety member with respect to service to a contracting agency subject to this section, upon retirement after attaining the age of 55 years, is a pension derived from contributions of an employer sufficient, when added to that portion of the service retirement annuity that is derived from the accumulated normal contributions of the member at the date of his or her retirement, to equal one-fiftieth of his or her final compensation multiplied by the number of years of state safety, police, fire, or county peace officer service that is credited to him or her as a state safety member or a local safety member subject to this section at retirement. Notwithstanding the preceding sentence, this section shall apply to the current and prior service pension for any other state safety member based on service to which it would have applied had the member, on July 1, 1971, been in employment described in Section 20403 or 20404.

(b) Upon retirement for service prior to attaining the age of 55 years, the percentage of final compensation payable for each year of credited service that is subject to this section shall be the product of 2 percent multiplied by the factor set forth in the following table for his or her actual age at retirement:

If the retirement age occurs at:		The percent for each year of credited service is:
50	.....	0.713
50 $\frac{1}{4}$	.....	0.725
50 $\frac{1}{2}$	.....	0.737
50 $\frac{3}{4}$	.....	0.749

1		The percent for
2		each year of
3		credited service
4	If the retirement age occurs at:	is:
5	51 .....	0.761
6	51 $\frac{1}{4}$ .....	0.775
7	51 $\frac{1}{2}$ .....	0.788
8	51 $\frac{3}{4}$ .....	0.801
9	52 .....	0.814
10	52 $\frac{1}{4}$ .....	0.828
11	52 $\frac{1}{2}$ .....	0.843
12	52 $\frac{3}{4}$ .....	0.857
13	53 .....	0.871
14	53 $\frac{1}{4}$ .....	0.886
15	53 $\frac{1}{2}$ .....	0.902
16	53 $\frac{3}{4}$ .....	0.917
17	54 .....	0.933
18	54 $\frac{1}{4}$ .....	0.950
19	54 $\frac{1}{2}$ .....	0.966
20	54 $\frac{3}{4}$ .....	0.983

21

22 (c) In no event shall the total pension for all service under this

23 section exceed an amount that, when added to the service retirement

24 annuity related to that service, equals 75 percent of final

25 compensation. For state members who retire on or after January

26 1, 1995, and with respect to service for all state employers under

27 this section, the benefit shall not exceed 80 percent of final

28 compensation. For local members who retire on or after January

29 1, 2000, the benefit shall not exceed 85 percent of final

30 compensation. If the pension relates to service to more than one

31 employer and would otherwise exceed that maximum, the pension

32 payable with respect to each employer shall be reduced in the same

33 proportion as the allowance based on service to that employer

34 bears to the total allowance computed as though there were no

35 limit, so that the total of those pensions shall equal the maximum.

36 Where a state or local member retiring on or after January 1, 1995,

37 has service under this section with both state and local agency

38 employers, the higher maximum shall apply and the additional

39 benefit shall be funded by increasing the member's pension payable

1 with respect to the employer for whom the member performed the  
2 service subject to the higher maximum.

3 (d) This section shall not apply to a person whose effective date  
4 of retirement is prior to July 1, 1971.

5 (e) The Legislature reserves, with respect to any member subject  
6 to this section, the right to provide for the adjustment of industrial  
7 disability retirement allowances because of earnings of a retired  
8 person and modification of the conditions and qualifications  
9 required for retirement for disability as it may find appropriate  
10 because of the earlier age of service retirement made possible by  
11 the benefits under this section.

12 (f) The percentage of final compensation provided in this section  
13 shall be reduced by one-third as applied to that part of the  
14 member's final compensation that does not exceed four hundred  
15 dollars (\$400) per month for service after the effective date of  
16 coverage of a member under the federal system. This subdivision  
17 shall not apply to a member who retires after the date upon which  
18 coverage under the federal system of persons in his or her  
19 employment terminates. It shall not apply to a local safety member  
20 employed by a contracting agency electing to be subject to this  
21 section after March 7, 1973, unless the agency elects to be subject  
22 to this paragraph by amendment to its contract or by appropriate  
23 provision of a contract entered into after this provision is effective  
24 and as to any member, the reduction in the percentage of final  
25 compensation shall apply to all local safety service to the agency,  
26 if any of the local safety service has been included in the federal  
27 system.

28 (g) With the exception of state safety members for service  
29 rendered for the California State University, this section shall apply  
30 to state safety members who are not employed by the state on or  
31 after January 1, 2000.

32 (h) This section shall not apply to a contracting agency nor its  
33 employees until the agency elects to be subject to it by amendment  
34 to its contract made in the manner prescribed for approval of  
35 contracts or in the case of a new contract, by express provision of  
36 the contract. The operative date of this section with respect to a  
37 local safety member shall be the effective date of the amendment  
38 to his or her employer's contract electing to be subject to this  
39 section.

(i) (1) Notwithstanding Section 3517.8 or any provision of an expired memorandum of understanding, this section shall also apply to a state safety member who is employed by the state or the California State University for the first time and becomes a state safety member of the system on or after November 10, 2010. With respect to related state safety members in managerial, supervisory, or confidential positions and officers or employees of the executive branch of state government who are not members of the civil service, the Director of the Department of Personnel Administration may exercise his or her discretion whether to approve their status in writing to the board.

(2) If this subdivision is in conflict with a memorandum of understanding that is current and in effect on November 10, 2010, the memorandum of understanding shall be controlling while it remains in effect. Upon expiration of the memorandum of understanding that is in effect and current on November 10, 2010, this section shall be controlling and may not be superseded by a subsequent memorandum of understanding.

(j) This section does not apply to:

(1) Former state or California State University employees employed before November 10, 2010, who return to state or university employment on or after November 10, 2010, and who were not previously subject to this section.

(2) State employees hired prior to November 10, 2010, who were subject to Section 20281.5 during the first 24 months of state employment, and who were not previously subject to this section.

(3) State or California State University employees on an approved leave of absence before November 10, 2010, who return to active employment on or after November 10, 2010, and who were not previously subject to this section.

(4) State employees who are subject to Section 21369.2 so long as their memorandum of understanding is in effect. Upon expiration of the memorandum of understanding, notwithstanding Section 3517.8, this section shall be controlling and may not be superseded by a subsequent memorandum of understanding.

SEC. 11. Section 21369.1 of the Government Code is amended to read:

21369.1. (a) The combined current and prior service pensions for state safety members subject to this section with respect to state safety service that is subject to this section is a pension derived

from the contributions of the employer sufficient when added to the service retirement annuity that is derived from the accumulated normal contributions of the state safety member at the date of his or her retirement to equal the fraction of one-fiftieth of his or her final compensation set forth opposite his or her age at retirement taken to the preceding completed quarter year, in the following table, multiplied by the number of years of state safety service subject to this section with which he or she is credited at retirement.

Age at Retirement	Fraction
50 .....	0.8500
50¼ .....	0.8625
50½ .....	0.8750
50¾ .....	0.8875
51 .....	0.9000
51¼ .....	0.9125
51½ .....	0.9250
51¾ .....	0.9375
52 .....	0.9500
52¼ .....	0.9625
52½ .....	0.9750
52¾ .....	0.9875
53 .....	1.0000
53¼ .....	1.0320
53½ .....	1.0630
53¾ .....	1.0940
54 .....	1.1250
54¼ .....	1.1570
54½ .....	1.1880
54¾ .....	1.2190
55 and over .....	1.2500

(b) For state safety members with respect to service for all state employers under this section, the benefit shall not exceed 80 percent of final compensation. If the pension relates to service to more than one employer, and would otherwise exceed that maximum, the pension payable with respect to each employer shall be reduced in the same proportion as the allowance based on service to that employer bears to the total allowance computed as

1 though there were no limit, so that the total of the pensions shall  
2 equal the maximum.

3 (c) This section shall supersede Section 21369 for state safety  
4 members with respect to service rendered for the California State  
5 University.

6 (d) This section shall also supersede Section 21369 for state  
7 safety members, for service not subject to subdivision (c), who are  
8 employed by the state on or after January 1, 2000.

9 (e) The Legislature reserves, with respect to any member subject  
10 to this section, the right to provide for the adjustment of industrial  
11 disability retirement allowances because of earnings of a retired  
12 person and modification of the conditions and qualifications  
13 required for retirement for disability as it may find appropriate  
14 because of the earlier age of service retirement made possible by  
15 the benefits under this section.

16 (f) The Legislature reserves the right to subsequently modify  
17 or amend this part in order to completely effectuate the intent and  
18 purposes of this section and the right to not provide any new  
19 comparable advantages if disadvantages to employees result from  
20 any modification or amendment.

21 (g) Operation and application of this section are subject to the  
22 limitations set forth in Section 21251.13.

23 (h) Notwithstanding any other provision of this section, this  
24 section shall not apply to a state safety member who is employed  
25 by the state for the first time and becomes a state safety member  
26 of the system on or after the first day of the pay period following  
27 the effective date of the act adding this subdivision, and is  
28 represented by State Bargaining Unit 12, 16, 18, or 19. With respect  
29 to related state safety members in managerial, supervisory, or  
30 confidential positions and officers or employees of the executive  
31 branch of state government who are not members of the civil  
32 service, the Director of the Department of Personnel Administration  
33 may exercise his or her discretion whether to approve their status  
34 in writing to the board.

35 (i) *(1) Notwithstanding Section 3517.8, or any provision of an*  
36 *expired memorandum of understanding, or any other provision of*  
37 *this section, this section shall not apply to a state safety member*  
38 *who is employed by the state or the California State University for*  
39 *the first time and becomes a state safety member of the system on*  
40 *or after November 10, 2010. With respect to related state safety*



1 *members in managerial, supervisory, or confidential positions and*  
2 *officers or employees of the executive branch of state government*  
3 *who are not members of the civil service, the Director of the*  
4 *Department of Personnel Administration may exercise his or her*  
5 *discretion whether to approve their status in writing to the board.*

6 *(2) If this subdivision is in conflict with a memorandum of*  
7 *understanding that is current and in effect on November 10, 2010,*  
8 *the memorandum of understanding shall be controlling while it*  
9 *remains in effect. Upon expiration of the memorandum of*  
10 *understanding that is in effect and current on November 10, 2010,*  
11 *this section shall be controlling and may not be superseded by a*  
12 *subsequent memorandum of understanding.*

13 *SEC. 12. This act is an urgency statute necessary for the*  
14 *immediate preservation of the public peace, health, or safety within*  
15 *the meaning of Article IV of the Constitution and shall go into*  
16 *immediate effect. The facts constituting the necessity are:*

17 *In order for the provisions of this act to be applicable as soon*  
18 *as possible for the 2010–11 fiscal year, and thereby facilitate the*  
19 *orderly administration of state government at the earliest time*  
20 *possible, it is necessary that this act take effect immediately.*

21 ~~SECTION 1. It is the intent of the Legislature to enact statutory~~  
22 ~~changes relating to the Budget Act of 2010.~~